



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Monday, December 13, 2010**

The **STATE PUBLIC WORKS BOARD** will meet on
**Monday, December 13, 2010, at 10:00 a.m. in Room
113, State Capitol, Sacramento, California.**

In accordance with provisions of section 11125 of the
Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

Monday
December 13, 2010
10:00 a.m.
Room 113

State Capitol
Sacramento, California

I. Roll Call

Ana J. Matosantos Director, Department of Finance
Ronald Diedrich, Acting Director, Department of General Services
Cindy McKim, Director, Department of Transportation
John Chiang, State Controller
Bill Lockyer, State Treasurer

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Ms. Pam Harris, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Mike Eng, Legislative Advisor
Assembly Member, Mary Hayashi, Legislative Advisor
Assembly Member, Sandre Swanson, Legislative Advisor
Senator, Mark J. DeSaulnier, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Vacant, Legislative Advisor

II. Approval of minutes from the [November 15, 2010](#) meeting

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BOND ITEMS

BOND ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2010 SERIES A, PROJECT ADDITION
CALIFORNIA STATE PRISON, LOS ANGELES COUNTY
ENHANCED OUTPATIENT PROGRAM TREATMENT AND OFFICE SPACE
LOS ANGELES COUNTY

Authority: Sections 15819.40(c) and (d) and 15819.401 – 15819.404 of the Government Code

Consider adopting a resolution to:

1. Determine that a Cost Reduction (the “Cost Reduction”), under the Board’s 98th Supplemental Indenture between the State Treasurer and the Board, has occurred with respect to the State Public Works Board 2010 Series A lease-revenue bonds (the “Bonds”).
2. Approve and authorize the adjustment of the Base Rental payments under the Facility Lease for the California Institution for Women, Chino Acute/Intermediate Care Facility project (the “CIW Project”) and the addition of the California State Prison, Los Angeles County Enhanced Outpatient Program Treatment and Office Space project (the “LAC Project”) to utilize a portion of the available proceeds of such Bonds pursuant to section 212.07 of the Supplemental Indenture.
3. Approve and authorize the attachment of an amended Appendix B to the 98th Supplemental Indenture.
4. Approve and authorize the attachment of an amended Schedule I to the Facility Lease for the CIW Project between the Board and the Department of Corrections and Rehabilitation.
5. Approve and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation and the Board for the LAC Project.
6. Approve and authorize the execution of a Facility Lease between the Board and the Department of Corrections and Rehabilitation for the LAC Project.
7. Approve other related actions in connection with the determination of the Cost Reduction, the adjustment of base rental and the approval of the addition of the LAC Project.

Estimated Project Costs to be Financed	\$11,490,000
2010A Bond Proceeds to be Allocated	\$15,505,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
2010 Series A, Project Addition
California State Prison, Los Angeles County
Enhanced Outpatient Program Treatment and Office Space
Los Angeles County

Action Requested

If approved, the requested action would adopt a resolution (1) determining that a Cost Reduction has occurred with respect to the Bonds; (2) approving and authorizing actions related to adjustment the Base Rental payments under the Facility Lease for the CIW Project, (3) approving the execution of a Site Lease and a Facility Lease and certificates for the addition of the LAC Project pursuant to section 212.07 of the Supplemental Indenture, and (4) other related actions.

Adjustment of Base Rental Payments for a Project and Addition of Another Project

Pursuant to the 98th Supplemental Indenture, the Board is permitted, subject to certain provisions contained section 212.07, to add a project to be financed and refinanced with proceeds of the Bonds. The Board has been advised that a lesser amount of proceeds of the Bonds than originally expected will be expended on the CIW Project, and has previously recognized revised project costs.

Moreover, under the Supplemental Indenture, the Board may utilize the Cost Reduction by (1) authorizing the reduction of the Base Rental payments under the Facility Lease for the CIW Project and (2) authorizing the addition of the LAC Project pursuant to section 212.07 of the Supplemental Indenture. Notwithstanding these project specific changes to Base Rental payments, the total Base Rental, payable under the all Facility Leases associated with the Bonds, would at all times, together with amounts on deposit in the Series 2010A Subseries A-1 Capitalized Interest Subaccount, be sufficient to pay the principal of and interest on the Bonds when due.

Scope Description

This project is within scope. This project will design and construct a new stand alone building adjacent to housing unit D5 for mental health treatment space and offices for staff to accommodate an increase of 150 Enhanced Outpatient Program beds at the California State Prison, Los Angeles County (LAC). This project is part of the Department of Corrections and Rehabilitation's (CDCR) supplemental mental health bed plan approved by the *Coleman* court in August 2007 and the activation schedule for this project was approved by the *Coleman* court on June 18, 2009.

The proposed new facility will be a single story building located in the Level IV Facility D Yard, within the secure perimeter. The facility will provide administrative space for clinicians, office technicians, custody staff, and correctional counselors and will include restrooms for staff and inmates. The facility will have additional rooms for office equipment, file storage, staff conferences, mail sorting, and staff breaks. Treatment space will include classrooms and separate rooms for group therapy, recreational therapy, patient interviews, and treatment team meetings. Two officers' stations will also be constructed. This project also includes demolition of the existing Food Services Satellite Building, site grading, paving, fencing, site lighting, and utility extensions to the new building.

Funding and Cost Verification

This project is within cost. On July 12, 2010, the Board took an action allocating \$15,096,000 of the \$710,940,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15819.403(a) of the Government Code to complete design and construction for this project. Based on an estimate prepared at the completion of design, the total project costs have decreased by \$3,606,000 to \$11,490,000.

\$11,490,000 total authorized project cost

\$11,490,000 total estimated project cost

\$15,096,000 project costs previously allocated: \$689,000 preliminary plans, \$727,000 working drawings, and \$13,680,000 construction (\$10,095,000 contract, \$505,000 contingency, \$654,000 A&E, \$798,000 other project costs, and \$1,628,000 agency retained items)

\$ 3,606,000 project cost decrease: construction (\$2,147,000 contract, \$108,000 contingency, \$534,000 A&E, \$435,000 other project costs, and \$382,000 agency retained items)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 5, 2009, and the statutes of limitation expired on September 9, 2009, without public comment.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on May 25, 2010, and it is noted that no significant issues were identified.

Project Schedule

Approve preliminary plans	July 2010
Complete working drawings	December 2010
Complete construction	August 2012

Staff Recommendation: Adopt resolution.

BOND ITEMS

BOND ITEM—2

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SAN DIEGO COUNTY WOMEN'S DETENTION FACILITY
JAIL REPLACEMENT PROJECT
SAN DIEGO COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider adopting a resolution to:

1. Declare the official intent of the Board to reimburse certain capital expenditures from the proceeds of any future interim loans and/or the sale of tax-exempt bonds.
2. Approve and authorize the execution and delivery of a Memorandum of Understanding, in the form presented at this meeting, between the County of San Diego, the California Department of Corrections and Rehabilitation, the Corrections Standards Authority, and the Board.
3. Approve other related actions in connection with the execution and delivery of the Memorandum of Understanding and to effectuate the intent of the Resolution.

Total Bond Allocation

\$100,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation
San Diego County Women's Detention Facility
Jail Replacement Project
San Diego County

Action Requested

If approved, the requested action would adopt a resolution (1) declaring the official intent of the Board to reimburse certain capital expenditures from the proceeds of any future interim loans and/or the sale of tax-exempt bonds, (2) approving and authorizing the execution and delivery of a Memorandum of Understanding (the "MOU"), and (3) other related actions.

Memorandum of Understanding

The AB 900 Jail Financing Program (the “Program”) requires the participating parties to execute several agreements intended to facilitate the implementation of the Program. However, there are currently several obstacles preventing the execution of these agreements as they relate to the San Diego County Women’s Detention Facility project (the “Project”). Consequently, the proposed MOU is intended to allow San Diego County to proceed with the Project while maintaining eligibility to participate in the Program. The proposed MOU outlines the measures to be taken to allow the county to maintain eligibility to participate in the Program and the conditions that must be met by the county to enable it to proceed forward in pursuing state financing for the Project. The proposed MOU also establishes the process for determining when any MOU condition can be deemed satisfied for the purposes of the proposed MOU.

Scope Description

The Project consists of the design and construction of a new women’s detention facility to replace the existing Las Colinas Detention Facility. The Project will be located on an approximately 45 acre site with approximately 460,000 square feet of building space and will be constructed in two phases. The facility will provide housing, inmate services, and support for the San Diego County female inmate population. In total, the facility will provide approximately 1,216 minimum, medium, and maximum security beds, as well as 32 mental health beds and 22 medical patient beds, intended to accommodate a range of health care needs.

As part of the Project, inmate housing will be designed and constructed to house the different types of custody needs: minimum security, medium security, program-intensive, and high security. A total of seven housing clusters are proposed, including two minimum security clusters, three medium security clusters, a program-intensive unit, and a high-risk/administrative segregation complex. Space will also be provided for visitation, inmate programs, staff services, inmate receiving and transfer, administration, property storage and a warehouse.

The Project includes medical services space consisting of four distinct components: a women’s clinic, medical infirmary, psychiatric outpatient clinic and psychiatric security unit housing. The women’s clinic and medical infirmary components will consist of a 22-bed clinic for sick inmates and an isolation area. A psychiatric outpatient clinic will include a waiting area for 20 inmates, private interview rooms, and offices for clinical staff. The psychiatric security unit housing component will function as an inpatient mental health/medical facility providing a total of 32 single occupancy rooms.

The Project includes a food services building with an area for receiving and preparing meals delivered from an off-site existing central kitchen. This building will also include spaces designed for inmate and staff dining, sized to accommodate approximately 450 individuals, and for food service support. The Project’s infrastructure includes an energy plant and space for custodial and clerical personnel, maintenance staff, and logistical staff assigned to the institutional warehouse.

The Project will also include, but is not limited to, electrical, plumbing, mechanical, and HVAC systems, as well as security and fire protection systems. As part of the Project, up to 400 parking spaces will be provided for staff and visitor parking. Not included as part of the Project, but necessary for construction of the Project, the county will also design and construct a new public access road to provide access to the north of the Project site.

Funding and Cost Verification

Section 15820.903 of the Government Code appropriates \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) to partially finance the construction of local jail facilities in conjunction with local matching funds. The initial allocation of this funding to counties was administered through the Corrections Standards Authority through a competitive public process. Corrections Standards Authority has conditionally awarded \$100,000,000 from this appropriation to San Diego County for the Project. All of the acquisition/study and design costs and any construction costs in addition to this award amount will be paid by the county.

This action would allocate \$100,000,000 of the \$750,000,000 appropriated in section 15820.903 of the Government Code to partially finance construction for the Project. However, the state's financial participation is conditioned on the county appropriating the remaining balance of its funding contribution. It is anticipated the county will appropriate this remaining balance in its fiscal year 2011-12 budget.

\$271,726,000 total estimated project cost

\$100,000,000 state funds to be allocated: design-build contract

\$171,726,000 local funds previously allocated: \$3,000,000 performance criteria and \$168,726,000 design-build (\$126,251,000 contract, \$22,625,000 contingency, \$500,000 A&E, \$13,850,000 other project costs, and \$5,500,000 agency retained items)

CEQA

The county is currently engaged in two separate Superior Court actions concerning CEQA review for the Project. The first case is the *City of Santee v. County of San Diego*, which challenges the adequacy of the Environmental Impact Report prepared for the San Diego Women's Detention Facility. The second case is *County of San Diego v. Ryan Companies US, Inc.* (Ryan Companies), which is an eminent domain case to extinguish Ryan Companies' contractual rights to develop a portion of land that is subject to a Disposition and Development Agreement between Ryan Companies and San Diego County. The portion of land in question overlaps a portion of the project area for the county's proposed new women's detention facility.

A date for final resolution of these two lawsuits is unknown at this time. However, resolution of these lawsuits to the state's satisfaction is among the conditions precedent to the state's financial participation in the Project pursuant to the MOU that would be authorized by this action.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for the Project on November 5, 2010, and it is noted that two unresolved issues were identified. The issues pertain to existing utilities and easements within the project area that must be relocated and the unresolved eminent domain litigation outlined above. Resolution of all real property encumbrance issues to the state's satisfaction is among the conditions precedent to the state's financial participation in the Project pursuant to the MOU that would be authorized by this action.

Project Schedule

Approve performance criteria	December 2010
Complete construction	March 2016

Staff Recommendation: Adopt resolution.

CONSENT ITEMS

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW GLENDALE COURTHOUSE (HONDA SITE)
LOS ANGELES COUNTY
AOC Facility Number 19-H2, DGS Parcel Number 10672

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New Glendale Courthouse (Honda Site)
Los Angeles County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection for the new parking garage and surface parking for the new courthouse. The proposed site, Honda site, would provide secure parking for judicial officers and staff, as well as surface parking. The New Glendale Courthouse will be built on the existing state-owned courthouse parking lot and a portion of the existing courthouse annex area across the street. The project includes construction of a new 8-courtroom, 100,000 square foot facility with associated improvements for use by the Superior Court of California for judicial, administrative, and related purposes. The Honda site is approximately 1.4 acres of privately-owned improved land (automobile dealership). The Honda site is situated on South Glendale Avenue approximately 1 mile from the 134 Freeway and 1.5 miles from Interstate 5. The proposed site is one of two sites under consideration for the project.

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provide \$16,764,000 for the acquisition phase. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Project Schedule

Estimated close of escrow	November 2011
Approve preliminary plans	July 2012
Complete working drawings	May 2013
Complete construction	September 2015

Condition of Property

In November 2010, staff from Department of General Services (DGS) visited the Honda site. The purpose of the Honda site is to construct a new parking garage and surface parking for the new Courthouse. The area is a key location to construct surface parking and a garage.

The site visit entailed a tour of the surrounding property for apparent conditions that could adversely affect the development of the property. Based on the age of the buildings on the Honda site, materials may contain asbestos and the possibility of lead-based paint. Prior to development or demolition, surveys should be conducted to determine the absence or presence of asbestos and lead-based paint.

Phase I

A Phase I report was prepared in March 2010 in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments. DGS staff have reviewed the Phase I and agree that there is evidence of several Recognized Environmental Concerns (RECs). The report observed poor housekeeping practices of vehicle maintenance fluids in the aboveground storage tanks and drum storage area and service bays and identified heavy staining in this area. The report identified that this represents a potential for the grounds subsurface to have been impacted.

The Phase I also identified that because of the long-term presence of the in-ground hydraulic lifts at the subject property and lack of documentation of leak testing, that the in-ground hydraulic lifts and their associated reservoirs represent a REC. The report also opined that plumbing connections to clarifiers often leak contained fluids into surrounding soils and represents an REC to the subject property.

Additionally, the Phase I cited a Historical Recognized Environmental Concern due to discrepancies between a closure report and the "No Further Action" letter from the Glendale Fire Department related to four former underground tanks (removed in the 1990s). Follow up with the Glendale Fire Department is recommended.

Other

- The proposed site meets the Judicial Council's (Council) size, location, and compatibility requirements.
- The site is a developed auto dealership. Disposition of the site improvements will be determined during acquisition phase.
- A transfer of title to the State of the existing Glendale Courthouse occurred on February 9, 2010.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS-approved appraisal.
- Relocation assistance may be required. Potential relocation costs are unknown at this time.
- There are no historic issues or implied dedication involved with this project.
- Due to courthouses being located in downtown, urban areas, the Council has been provided with the flexibility to select more than one site for each courthouse project. This allows the Council more effectively negotiate with sellers to procure land for new courthouses at an acceptable cost.
- DGS staff recommend that AOC obtain a limited Phase II soil and vapors testing report be completed during the environmental review process and any potential mitigation measures be included in the environmental document.

Staff Recommendation: Authorize site selection.

CONSENT ITEM

CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW GLENDALE COURTHOUSE (CROWN SITE)
LOS ANGELES COUNTY
AOC Facility Number 19-H2, DGS Parcel Number 10684

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing site selection

CONSENT ITEM

STAFF ANALYSIS ITEM—2

Judicial Council of California
Administrative Office of the Courts
New Glendale Courthouse (Crown Site)

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection for the new parking garage and surface parking for the new courthouse. The proposed site, Crown site, would provide secure parking for judicial officers and staff, as well as surface parking. The New Glendale Courthouse will be built on the existing state-owned courthouse parking lot and a portion of the existing courthouse annex area. The project includes construction of a new 8-courtroom, 100,000 square foot facility with associated improvements for use by the Superior Court of California for judicial, administrative, and related purposes. The Crown site is approximately 2.6 acres of privately-owned improved land. The Crown site is located 0.8 miles from the existing Glendale Courthouse and is one mile from the freeway 134. The proposed site is one of two sites under consideration for the project.

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provide \$16,764,000 for the acquisition phase. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Project Schedule

Estimated close of escrow	November 2011
Approve preliminary plans	July 2012
Complete working drawings	May 2013
Complete construction	September 2015

Condition of Property

In November, 2010, staff from Department of General Services (DGS) visited the Crown site. The area is a key location to construct a courthouse. It is within the downtown area of Glendale and in close proximity to the City Administration Buildings.

The site visit entailed a tour of the surrounding property for apparent conditions that could adversely affect the development of the property. Based on the age of the buildings on the Crown site, materials may contain asbestos and the possibility of lead-based paint. Prior to development or demolition, surveys should be conducted to determine the absence or presence of asbestos and lead-based paint.

Phase I

A Phase I report was prepared in June 2011 in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments. DGS staff have reviewed the Phase I and agree with its conclusion that there are Recognized Environmental Concerns (RECs) in connection with the subject property. These RECs are due to the historical automotive repair activities; the operation of a former gasoline underground storage tank; and historical dry cleaning activities. Because of these concerns, it is recommended that soil and soil vapor sampling are warranted.

Other

- The proposed site meets the Council's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS-approved appraisal.
- The Crown site is situated within a Redevelopment Project Area. If the proposed project proceeds to the acquisition stage, a Memorandum of Understanding (MOU) will be entered into with the City Redevelopment Agency (RDA) wherein the RDA waives for the State courthouse project any restriction and control rights it may have under its current or future redevelopment plan.

- DGS staff recommends that AOC obtain a limited Phase II soil and vapors testing report be completed during the environmental review process and any potential mitigation measures be included in the environmental document.
- Due to courthouses being located in downtown, urban areas, the Council has been provided with the flexibility to select more than one site for each courthouse project. This allows the Council more effectively negotiate with sellers to procure land for new courthouses at an acceptable cost.
- Relocation assistance may be required. Potential relocation costs are unknown at this time.
- There are no historic issues or implied dedication involved with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEM

CONSENT ITEM—3

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SANTA BARBARA COURTHOUSE (HAYWARD/COUNTY SITES)
SANTA BARBARA COUNTY
AOC Facility Number 42-M1, DGS Parcel Number 10673

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing site selection

CONSENT ITEM

STAFF ANALYSIS ITEM—3

Judicial Council of California
Administrative Office of the Courts
New Santa Barbara Courthouse (Hayward/County Site)

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection for the construction of a new 8-courtroom, 98,000 square foot facility in Santa Barbara County. This project is for use by the Superior Court of California for judicial, administrative, and related purposes and will include a 240-car parking structure with secured parking for judicial officers and administrative staff. The Hayward/County sites are an assemblage of four properties totaling approximately 2.8 acres of developed land located in the city of Santa Barbara. Two of the four Hayward/County properties are contiguous to the state-owned Figueroa Division Courthouse (acquired from the County as a “transfer of title” pursuant to the Trial Court Facilities Act of 2002).

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provide \$41,541,000 for the acquisition phase. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Condition of Property

On November 4, 2010, the Department of General Services (DGS) staff visited the properties in the City of Santa Barbara considered for prospective assemblage for the construction of the New Santa Barbara Criminal Courthouse and associated parking. The properties include about 1.3 acres for Hayward site and about 1.5 acres for the County of Santa Barbara site (County Probation parking lot and Garden Street parking lot).

The Hayward property is a paved parking lot. Located across the street are additional Hayward's properties. This lot has vacant buildings which were previously occupied by Hayward's furniture store, Karastan Carpet & Rugs, and a dog grooming shop. Both buildings appear older than 50 years. The paved parking lot surrounds the buildings. About 16 monitoring wells are located in the parking lot area of the Hayward site. To the south west of the Hayward site is the County site. The County Probation and Garden Street parking lots are paved and below street level. A retaining wall separates the two parking lots.

Phase I

A Phase I Environmental Site Assessment (ESA) for the Hayward properties was completed in April 2010, in accordance with the American Society of Testing and Materials. This assessment included the following Recognized Environmental Conditions (RECs) in connection with the Hayward properties: (1) Possible historical carpet cleaning activities; and (2) Soil and/or groundwater impacts from off-site sources. The report recommended the following:

- Conduct a subsurface investigation to assess possible impacts from historical carpet cleaning activities as well as for vapor intrusion impacts to the site from the off-site Leaking Underground Storage Tank (LUST) and Spills, Leaks, Investigations, and Clean-ups (SLIC) facilities.
- Monitor the progress of groundwater remediation associated with the adjacent LUST and SLIC facilities through attainment of agency case closure. In addition, the report recommended that Administrative Office of the Courts (AOC) contact its legal counsel regarding the appropriateness of requesting indemnification from the responsible parties regarding liability associated with the impacts beneath the site.

The report also noted that based on the age of the buildings, prior to buildings' renovation or demolition, tests should be administered on disturbed materials for asbestos-containing materials, lead-based paint, and polychlorinated biphenyls presence for proper handling and disposal.

A Phase I Environmental Site Assessment (ESA) for the County properties (Probation Building parking lot and Garden Street parking lot) was completed in June, 2010, in accordance with the American Society of Testing and Materials. Active remediation is underway on both properties to extract benzene, toluene, ethylbenzene, xylene, gasoline, total petroleum hydrocarbons-gasoline, and 1,2-dichloroethane. These properties are being monitored through an active remediation and monitoring system. Site remediation is required due to migration from upgradient sites on the Garden Street parking lot and from the former fuel depot on the Probation Building parking lot. AOC confirmed that a Phase II ESA is underway to investigate the County's remediation of former fuel facilities, and a nearby LUST on the Hayward site.

Phase II

A Phase II investigation on the Hayward properties was conducted on July 27, 2010. The investigation included soil borings and soil gas samplings to determine whether off-site LUST and SLIC have migrated onto the Hayward's sites and whether historical businesses, like dry cleaners, furniture repair and carpet cleaning made the Hayward's site unsuitable for development. The results determined that there were no vapor intrusion risks to human health present and that no further investigations were warranted.

Project Schedule

Estimated close of escrow	September 2011
Approve preliminary plans	September 2013
Complete working drawings	September 2013
Complete construction	December 2015

Other

- The proposed sites meet the Judicial Council's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS-approved appraisal.
- The Hayward/County site is situated in a redevelopment agency (RDA) plan area. If this site proceeds to the acquisition phase, the RDA will be requested to enter into a Memorandum of Understanding with the State, or adopt a resolution, wherein the RDA waives for the State courthouse project any restriction and control rights it may have under the redevelopment plan or any other implementing document.
- Relocation assistance may be required for the Hayward/County site. Court Appointed Special Advocates is a nonprofit tenant located in a modular structure straddling the property line between one of the new properties and the existing Figueroa Division Courthouse. Pursuant to the Transfer Agreement for the Figueroa Division Courthouse, the Administrative Office of the Courts is responsible for the relocation of this tenant. Potential relocation costs are unknown at this time.
- Due to courthouses being located in downtown, urban areas, the Council has been provided with the flexibility to select more than one site for each courthouse project. This allows the Council more effectively negotiate with sellers to procure land for new courthouses at an acceptable cost.
- There are no historic or implied dedication issues associated with either site.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—4

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW PORTERVILLE COURTHOUSE
TULARE COUNTY

AOC Parcel Number 54-I1, DGS Parcel Number 10670

Authority: Chapters 171 and 172, Budget Act of 2007, Item 0250-301-3037 (8)

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Judicial Council of California
Administrative Office of the Courts
New Porterville Courthouse
Tulare County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection of three parcels as additions to the property authorized by Board at its September 14, 2009, meeting for the construction of a new 9-courtroom, 90,000 square foot facility with secure parking for judicial officers and staff and surface parking in the City of Porterville, Tulare County. The additional property consists of approximately 0.4 acres. Improvements include a restroom, ticket booth, and fencing. The additional property will be used for parking, landscaping, and secondary access from Garden Avenue to the existing New Porterville Courthouse site.

Funding and Cost Verification

This project is within cost. Chapters 171 and 172, Budget Act of 2007, Item 0250-301-3037 (8) provided \$4.4 million for land acquisition. This property can be acquired with the funds available and in accordance with Legislative intent.

\$93,364,000	total authorized project cost
\$93,364,000	total estimated project cost
\$12,240,000	project costs previously allocated: \$4,357,000 acquisition, \$3,264,000 preliminary plans, and \$4,619,000 working drawings
\$81,124,000	project costs to be allocated: \$69,000 acquisition, \$81,055,000 construction (\$71,984,519 contract, \$3,599,226 contingency, \$1,163,000 A&E, and \$4,309,000 other project costs

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California (Council), acting in the capacity of Lead Agency, will undertake the preparation of an Addendum to Final Initial Study and Mitigated Negative Declaration: New Porterville Courthouse. This will be submitted with a future site acquisition authorization request.

Project Schedule

Estimated close of escrow	February 2011
Approve preliminary plans	July 2011
Complete working drawings	June 2012
Complete construction	March 2013

Condition of Property

On October 27, 2010, the Department of General Services (DGS) staff visited the proposed New Porterville Courthouse Garden Avenue Lots to assess the general condition of the property. The property is situated on the north side of the Porterville Fairgrounds, south of East Garden Avenue between North Fig Street and North Murry Street in Porterville, Tulare County. The property is secured by perimeter fencing and locked gate. The restroom is a permanent structure and made of cement blocks and steel corrugated roof. The ticket sales booth is a wooden structure set upon concrete slab. The topography of the property is relatively flat and covered with pea gravel. The limited vegetation observed on the property includes three landscaped trees and one large oak tree. DGS staff finds that the subject property did not contain any apparent hazards to health and safety or any adverse restrictions for site development.

Phase I

In accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments, a Phase I Environmental Site Assessment was completed on July 21, 2010. The Phase I did not reveal any evidence of recognized environmental conditions in connection with the subject property and, therefore, concluded no further investigations.

Other

- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal report.
- Structural improvements will be demolished during the construction phase.
- There are no historic issues, relocation assistance, or implied dedication associated with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—5

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW WOODLAND COURTHOUSE
YOLO COUNTY

AOC Parcel Number 57-A10, DGS Parcel Numbers 10587 and 10691

*Authority: Chapter 311, Statutes of 2008
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by,
Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(12)*

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

Judicial Council of California
Administrative Office of the Courts
New Woodland Courthouse
Yolo County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would amend the prior August 17, 2009, site selection of approximately 3.75 acres to include an additional 2.3 acres for the construction of a new 14-courtoom, 141,000 square foot facility with associated improvements for use by the Superior Court of California for judicial, administrative, and related purposes. The project will provide surface parking as well as secure parking for judicial officers and staff in the downtown area of the City of Woodland in Yolo County. Subsequent to the prior site selection action, it was determined that, while the proposed court facility requires 440 parking spaces, the site selected 3.75 acres would only accommodate 220 parking spaces. The approximately 2.3 acres proposed in this request for amended site selection are within walking distance of the proposed main courthouse property and would accommodate the additional required 220 surface parking spaces.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138 (12) provides \$9,094,000 for land acquisition. This property can be acquired with the funds available and in accordance with Legislative intent.

\$165,337,000	total authorized project cost
\$165,337,000	total estimated project cost
\$ 1,996,000	project costs previously allocated: acquisition
\$163,341,000	project costs to be allocated: \$7,098,000 acquisition, \$7,371,000 preliminary plans, \$9,639,000 working drawings, and \$139,233,000 construction (\$122,710,000 contract, \$6,136,000 contingency, \$2,505,000 A&E, and \$7,882,000 other project costs)

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California (Council), acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact.

Project Schedule

Estimated close of escrow	February 2011
Approve preliminary plans	June 2011
Complete working drawings	May 2012
Complete construction	April 2014

Condition of Property Statement

On November 2, 2010, Department of General Services (DGS) staff visited the proposed site to assess the general condition of the property. The proposed site is situated east of Sixth Street, south of Lincoln Avenue, and north of Cross Street. The proposed site is separated by Oak Avenue into two portions totaling approximately 2.3 acres (0.8 acre and 1.5 acres, respectively). The north portion of the property is surrounded by cyclone fencing and developed with two structures and paved areas. In addition, the north site includes stacked terra cotta roofing tiles, dry grass and trees. The south portion is readily accessible where DGS observed three debris piles including household trash, landscaping clippings, and a mattress. In addition to vacant grass areas and trees, the south site includes a two-story metal-siding warehouse. The topography of the property is relatively flat.

Phase I

A September 2010 Phase I Environmental Site Assessment (ESA) was completed in accordance with the American Society of Testing and Materials. As reported in the ESA, the subject property has been occupied by various tenants documented to, or likely to, have used hazardous materials, including an underground storage tank (UST) with no investigation, and auto repair activities. The lengthy use of the property associated with these uses with no known investigation is considered a Recognized Environmental Condition. The adjoining Union Pacific properties historically operated with up to two bulk oil storage and/or distribution facilities. These facilities were located cross-gradient to the property. It is unclear whether these facilities were properly closed because no information regarding subsurface investigations was discovered. Based on the close proximity

of these facilities to the property and the long duration of use, there is a potential that these uses have impacted the property. Therefore, further investigation, a Phase II ESA, is recommended to reconcile significant data gaps associated the lack of records related to the UST, historical use of the property, and nearby Union Pacific property use for bulk oil storage. Activities for the Phase II ESA include soil and groundwater sampling to determine the conditions related to the on-site conditions and off site influence.

Other

- The proposed property meets the Judicial Council's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal report.
- The properties proposed for the main courthouse are located within a redevelopment agency (RDA) plan area. The RDA and the State will enter into a Memorandum of Understanding by which the RDA waives for the State project any restriction or control rights it may have under the RDA plan or other implementing documents.
- The properties are improved. Determination of responsibility for the demolition, remediation, and land assembly activities will take place during the post-site selection due diligence period.
- One property is improved and occupied by commercial businesses. Relocation assistance may be required.
- There are no historic issues or implied dedication involved with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—6

DEPARTMENT OF DEVELOPMENTAL SERVICES (4300)
UPGRADE FIRE ALARM SYSTEM, FAIRVIEW DEVELOPMENTAL CENTER
COSTA MESA, ORANGE COUNTY

*Authority: Chapters 268 and 269, Statutes of 2008, Item 4300-301-0001 (3),
Chapter 1, Statutes of 2009, Item 4300-301-0001 (1), Third Extraordinary Session,
as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session*

Consider recognizing a scope change.

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Department of Developmental Services
Upgrade Fire Alarm System, Fairview Developmental Center
Costa Mesa, Orange County

Action requested

If approved, the requested action would recognize a scope change.

Scope Description

This project is not within scope. The currently authorized Project scope: removes existing fire alarm systems and all related materials and equipment, installs new fully functional and code compliant fire alarm systems, including annunciators (a placard that graphically indicates the location of the fire in the building and may be tied into a fire control panel), smoke dampers, battery back-up equipment, and central annunciation equipment in 13 buildings.

This proposed change would add building 31, an occupied residential building, to the project scope. Building 31 was inadvertently left out of the original project scope. The fire alarm system is a requirement for licensing from the California Department of Public Health. If not addressed the Developmental Center at Fairview would face citations and fines and would be forced to relocate residents, in which another suitable building would need to be upgraded.

On November 4, 2010, a 20-day letter was sent to the Joint Legislative Budget Committee recommending the Board recognize the scope change. The 20-day waiting period has expired without adverse comment.

Funding and Cost Verification

This project is within cost. The Budget Act of 2008 appropriated \$597,000 for preliminary plans. The Budget Act of 2009 appropriated \$572,000 for working drawings, and \$8,469,000 for construction. The cost to integrate this building into the working drawings and construction phases is \$191,000. This is accomplished by deleting the installation of heat detectors in the ceiling, which the fire Marshall has deemed unnecessary. After adding Building 31 to the Project we anticipate savings of \$106,000 General Fund.

\$9,744,000 total authorized project costs

\$9,638,000 total estimated project costs

\$1,169,000 project costs previously allocated: \$597,000 preliminary plans and \$572,000 working drawings.

\$8,469,000 project costs to be allocated: \$8,469,000 construction (\$6,625,000 contracts, \$464,000 contingencies, \$757,000 A&E, and \$623,000 other project costs).

\$ 106,000 projected cost savings.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 18, 2009, and the 35-day waiting period expired September 23, 2009, without challenge.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on September 8, 2009, and no significant issues were identified.

Project Schedule

Approve preliminary plans	January 2010
Complete working drawings	November 2011
Complete construction	July 2013

Staff Recommendation: Recognize the scope change.

CONSENT ITEMS

CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA STATE PRISON, LOS ANGELES COUNTY
ENHANCED OUTPATIENT PROGRAM TREATMENT AND OFFICE SPACE
LOS ANGELES COUNTY

Authority: Sections 15819.40(c) and (d) and 15819.401 – 15819.404 of the Government Code

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
California State Prison, Los Angeles County
Enhanced Outpatient Program Treatment and Office Space
Los Angeles County

Action Requested

If approved, the requested action would recognize revised project costs.

Scope Description

This project is within scope. This project will design and construct a new stand alone building adjacent to housing unit D5 for mental health treatment space and offices for staff to accommodate an increase of 150 Enhanced Outpatient Program beds at the California State Prison, Los Angeles County (LAC). This project is part of the Department of Corrections and Rehabilitation's (CDCR) supplemental mental health bed plan approved by the *Coleman* court in August 2007 and the activation schedule for this project was approved by the *Coleman* court on June 18, 2009.

The proposed new facility will be a single story building located in the Level IV Facility D Yard, within the secure perimeter. The facility will provide administrative space for clinicians, office technicians, custody staff, and correctional counselors and will include restrooms for staff and inmates. The facility will have additional rooms for office equipment, file storage, staff conferences, mail sorting, and staff breaks. Treatment space will include classrooms and separate rooms for group therapy, recreational therapy, patient interviews, and treatment team meetings. Two officers' stations will also be constructed. This project also includes demolition of the existing Food Services Satellite Building, site grading, paving, fencing, site lighting, and utility extensions to the new building.

Funding and Cost Verification

This project is within cost. On July 12, 2010, the Board took an action allocating \$15,096,000 of the \$710,940,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15819.403(a) of the Government Code to complete design and construction for this project. Based on an estimate prepared at the completion of design, the total project costs have decreased by \$3,606,000 to \$11,490,000. This action will recognize these revised project costs.

\$11,490,000	total authorized project cost
\$11,490,000	total estimated project cost
\$15,096,000	project costs previously allocated: \$689,000 preliminary plans, \$727,000 working drawings, and \$13,680,000 construction (\$10,095,000 contract, \$505,000 contingency, \$654,000 A&E, \$798,000 other project costs, and \$1,628,000 agency retained items)
\$ 3,606,000	project cost decrease: construction (\$2,147,000 contract, \$108,000 contingency, \$534,000 A&E, \$435,000 other project costs, and \$382,000 agency retained items)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 5, 2009, and the statutes of limitation expired on September 9, 2009, without public comment.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on May 25, 2010 and it is noted that no significant issues were identified.

Project Schedule

Approve preliminary plans	July 2010
Complete working drawings	December 2010
Complete construction	August 2012

Staff Recommendation: **Recognize revised project costs.**

CONSENT ITEMS

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA HEALTH CARE FACILITY
INFILL PROJECT
SAN JOAQUIN COUNTY

Authority: Sections 15819.40(a) and (d) and 15819.401 – 15819.404 of the Government Code

Consider approving:

- a. preliminary plans for site cleanup Phase II
- b. performance criteria and concept drawings for Design-Build Phase I—Site Preparation and Non-Secure Facilities

CONSENT ITEMS

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
California Health Care Facility, Infill Project
San Joaquin County

Action Requested

If approved, the requested action would approve preliminary plans for site cleanup Phase II and performance criteria and concept drawings for Design-Build Phase I.

Scope Description

This project is within scope. This project will design and construct an approximately 1.1 million square feet, fully autonomous facility for adult male inmate-patient with serious or chronic medical and mental health needs. The facility's mission is to safely and securely house inmate-patient of all security levels while providing rehabilitation programming for each inmate, including opportunities for both medical and mental health rehabilitation and traditional rehabilitative programming. The rehabilitative programming will include vocational and academic programs, substance abuse treatment, and other appropriate offender programs. The California Health Care Facility (CHCF) will include inmate housing, health care services, rehabilitation programs, support services, inmate visiting, and facility administration.

Inmate housing will include space for a total of 1,722 inmates, including 337 Medical-High Acuity, 673 Medical-Low Acuity, 432 Mental Health-Intermediate Care Facility-High Custody, 43 Mental Health-Acute Psychiatric, 137 Mental Health Crisis Bed, and 100 permanent work crew inmates. Other site improvements will include the construction of perimeter guard towers, a lethal security fence system, support buildings, roads, additional parking, site grading and lighting improvements, and improvements to the prison's existing electrical supply and distribution, sewer line, natural gas, and telecommunications systems.

On September 20, 2010, the Board approved the preliminary plans associated with the scope of work necessary to complete Phase I of site cleanup. The scope of this work includes general clean up, clearing trees, removing fencing and light poles, disconnecting utilities, and removing the facility's retention basin. This work was originally intended to be included in the abatement/demolition phase, however, it was determined that the project can be expedited by completing this work in advance using IWL resources.

This action concerns the following portions of the project:

- *Site cleanup Phase II.* This action will approve the preliminary plans associated with the scope of work necessary to complete Phase II of site cleanup, which consists of hazardous materials abatement, demolition of the existing Karl Holton Youth Correctional Facility (Karl Holton Facility), and site readiness preparations. All hazardous materials, including asbestos and lead containing materials, will be removed from the existing buildings and then the buildings and underground utilities will be demolished. The contractor will divert recyclable materials from landfill disposition as feasible and concrete from the demolition will be crushed and stockpiled as aggregate to be used in later phases of the CHCF construction. Site readiness preparations will include erection of temporary fencing; fitting slats into the fencing between the CHCF site and the adjacent, occupied Department of Juvenile Justice facility to prevent visual contact; clearing and grubbing the entire site; establishing construction entrances, access roads, and parking; installing an office trailer complex to accommodate the onsite CDCR and contractors construction management team; preparing construction lay-down areas; and providing temporary utilities.
- *Site Preparation and Non-Secure Facilities.* This action will also approve the performance criteria and concept drawings associated with the scope of work necessary to complete Design-Build Phase I, which consists of site preparation and the design and construction of non-secure facilities. This scope of work includes design development; site grading; extension of public utility systems to the site; improvements to the site's utility systems; and construction of an access road, outside perimeter road, an entry gatehouse building, pedestrian walkways, staff and visitor parking, lighting, a security fence system with a lethal electrified fence and guard towers, vehicle sallyports, work-change facilities, an armory, a lock shop building, and a material services warehouses.

Funding and Cost Verification

This project is within cost. On June 14, 2010, the Board took an action allocating \$906,356,000 of the \$1,800,000,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15819.403(a) of the Government Code to complete design and construction for this project. The scope of work authorized by this action remains within cost and will be financed from this allocation.

\$906,356,000	total authorized project cost
\$906,356,000	total estimated project costs
\$ 24,254,000	project costs to be allocated (site cleanup, design-bid-build): \$912,000 preliminary plans, \$801,000 working drawings, and \$22,541,000 construction (\$19,169,000 contract, \$1,337,000 contingency, \$880,000 A&E, and \$1,155,000 other project costs)
\$882,102,000	project costs to be allocated (design-build): \$40,403,000 performance criteria and concept drawing, and \$841,699,000 design/build (\$706,396,000 contract, \$35,320,000 contingency, \$18,738,000 A&E, \$24,550,000 other project costs, and \$56,695,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on October 19, 2009. A legal challenge was raised before the statutes of limitation for this item expired on November 18, 2009. However, the challenge was resolved through a settlement agreement on June 11, 2010.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on June 3, 2010, and it is noted that no significant issues were identified.

Project Schedule

Approve preliminary plans	
Phase I site cleanup	September 2010
Phase II site cleanup	December 2010
Complete working drawings	
Phase I site cleanup	September 2010
Phase II site cleanup	December 2010
Approve performance criteria and concept drawings	
Design-Build Phase I	December 2010
Design-Build Phase II	January 2011
Complete construction	July 2013

Staff Recommendation: **Approve preliminary plans for site cleanup Phase II and performance criteria and concept drawings for Design-Build Phase I.**

CONSENT ITEMS

CONSENT ITEM—9

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
MADERA COUNTY JAIL
EXPANSION PROJECT
MADERA COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider authorizing the Department of Corrections and Rehabilitation's execution of:

- a. a Ground Lease with the County of Madera
- b. an Easement Agreement for Grants of Access, Utilities, and Repairs Easements with the County of Madera
- c. a Right of Entry for Construction with the County of Madera

CONSENT ITEMS

STAFF ANALYSIS ITEM—9

Department of Corrections and Rehabilitation
Madera County Jail, Expansion Project
Madera County

Action Requested

If approved, the requested action would authorize the Department of Corrections and Rehabilitation's (CDCR) execution of (1) a Ground Lease, (2) an Easement Agreement for Grants of Access, Utilities, and Repairs Easements, and (3) a Right of Entry for Construction with the County of Madera.

Scope Description

This project is within scope. This project will design and construct renovations to and expansion of the existing county jail located on county owned land. The expansion will provide approximately 42,600 square feet (sf) of additional new housing and support services space.

The new housing addition will be approximately 27,100 sf and will include a celled housing pod with 32 double occupancy cells (approximately 64 beds) and a housing pod with eight dormitories, each including five sets of double bunks (approximately 80 beds), to house a total of approximately 144 inmates. Each housing pod will also include a dayroom; program space for education, religious, counseling, and recidivism reduction services; and an interview room.

This project will also include an approximately 12,200 sf, one-story visitation and training building to be located adjacent to the existing facility. This building will provide space for staff briefing and training, new locker rooms to accommodate increased staff, staff support, facility support, and internal affairs. In addition, this building will provide for public visiting and attorney interviews in a new video visitation center. Moreover, public areas will be expanded to accommodate the anticipated increase in visitors, including a complete entry control package and locked storage for visitors.

A portion of the existing jail will also be renovated to expand, reconfigure, and upgrade existing office, treatment, and program space, which will add approximately 3,300 sf of new support services space. These renovations will provide additional space for administrative and custody staff offices as well as inmate property and clothing storage. The current infirmary will be relocated and expanded. Program space will be added to accommodate additional medical, dental and mental health services. The intake/release processing areas will include holding cells, toilet facilities for staff and inmates, medical triage rooms, processing area, administrative office area, and interview rooms. Modifications will be made to the existing control room to monitor and operate the security perimeter and housing pods.

The project will include, but not limited to: electrical, mechanical, and HVAC systems; a building to contain chillers and boilers; and security and fire protection systems. Limited site work will be included such as curbs, gutters and parking areas.

Ground Lease, Easement Agreement, and Right of Entry for Construction

The requested action would authorize CDCR's execution of a Ground Lease with the County of Madera, which is necessary for the county to be eligible to participate in the AB 900 Local Jail Construction Financing Program. The Ground Lease will provide CDCR with the property rights necessary to facilitate financing this project through the Board's lease revenue bond financing program. CDCR will pay the county a rental sum of \$10.00 per year and the Ground Lease term will be fifty years.

The Ground Lease includes an Easement Agreement for Grants of Access, Utilities, and Repairs Easements (Easement Agreement). This action will also authorize CDCR's execution of the Easement Agreement with the County of Madera. The Easement Agreement will record the granting of an easement from the county to CDCR for ingress and egress to and from the site and a non-exclusive right over, across, and under the easement property for the installation, maintenance, and replacement of utility wires, cables, conduits and pipes, and for other purposes and uses necessary or desirable for the operation, maintenance, and repair of the project.

In addition, the requested action would authorize CDCR's execution of a Right of Entry for Construction agreement (Right of Entry) with the County of Madera in order to provide the county access to the site for site analysis and jail construction-related activities. The Right of Entry will commence on the effective date of the Ground Lease and will terminate on the termination date of the Project Delivery and Construction Agreement.

Funding and Cost Verification

This project is within cost. On October 25, 2010, the Board took an action allocating \$29,047,000 of the \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15820.903 of the Government Code to partially finance the construction of this project. The initial allocation of this funding to counties was administered through the Corrections Standards Authority (CSA) through a competitive public process. CSA has conditionally awarded \$30,000,000 from this appropriation to Madera County for this project. All of the acquisition/study and design costs and any construction costs in addition to this award amount will be paid by the county. The remaining \$953,000 of Madera County's conditional award will remain available for allocation to the project if there is an increase in the construction costs eligible for reimbursement within the AB 900 Local Jail Financing Program.

\$35,772,000	total authorized project cost
\$35,772,000	total estimated project cost
\$29,047,000	state funds previously allocated: construction (\$26,406,000 contract and \$2,641,000 contingency)
\$ 6,725,000	local funds previously allocated: \$340,000 acquisition/study, \$711,000 preliminary plans, \$946,000 working drawings, and \$4,728,000 construction (\$615,000 A&E, \$3,486,000 other project costs, and \$627,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 27, 2007, and the statutes of limitation expired on September 26, 2007, without adverse comments.

Real Estate Due Diligence

The Department of General Services (DGS) completed a Summary of Conditions Letter for this project on April 29, 2010, and it is noted that one unresolved issue was identified. The issue pertains to the project area which is currently encumbered with county issued revenue bonds. On November 8, 2010, DGS completed an update to the Summary of Conditions letter and noted that the previously identified issue had been resolved and no conditions were identified that would adversely affect the project.

Project Schedule

Approve preliminary plans	November 2010
Complete working drawings	January 2011
Complete construction	December 2012

Staff Recommendation: **Authorize CDCR's execution of (1) a Ground Lease, (2) an Easement Agreement for Grants of Access, Utilities, and Repairs Easements, and (3) a Right of Entry for Construction with the County of Madera.**

CONSENT ITEMS

CONSENT ITEM—10

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
STATEWIDE, DENTAL FACILITY IMPROVEMENTS, PHASE I
VARIOUS COUNTIES

Authority: Section 28(a) of Chapter 7, Statutes of 2007

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—10

Department of Corrections and Rehabilitation
Statewide
Dental Facility Improvements, Phase I
Various Counties

Action requested

If approved, the requested action would establish the project scope, cost, and schedule.

Scope Description

This proposal is to request allocation of funding for the first phase of a three-phase statewide project to complete physical plant modifications necessary to ensure Department of Corrections and Rehabilitation's (CDCR) compliance with the Stipulated Agreement in the *Perez vs. Cate* class action lawsuit regarding dental care for inmates. Phase I of this project will make improvements to the existing dental facilities at the following eight institutions: California Institution for Women; California Medical Facility; California Rehabilitation Center; Correctional Training Facility; California State Prison, Los Angeles; Mule Creek State Prison; California State Prison, Solano; and Folsom State Prison. Facility improvements at the remaining 25 CDCR adult institutions will be addressed in Phases II and III of this statewide project.

This project will provide modifications necessary to address infection control situations, efficiency and safety/security issues, and the availability of timely and adequate dental services in prison dental clinics. A sampling of the physical plant improvement modifications to meet the court requirements include: converting the office space into sterilization areas; increasing electrical capacity to operate the existing equipment; increasing counter space and storage areas; and removing or constructing walls and reconfiguring dental chairs to meet industry standards.

The physical modifications identified in this three-phase plan will allow CDCR to provide the services needed to comply with the *Perez* Stipulation Agreement. If approved and the construction is completed, the Inmate Dental Services Program already has sufficient staffing, resources, and equipment to provide the dental treatment required to become compliant with the Stipulation Agreement.

On November 9, 2010, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recommend establishing the scope, cost, and schedule of this project to the Board no sooner than 30 days from that date. The 30-day legislative review period for this project has expired without adverse comment.

Funding and Cost Verification

This project is within cost. Section 28(a) of Chapter 7, Statutes of 2007 appropriated \$300 million General Fund for infrastructure improvements at prisons statewide. This action would allocate \$4,647,000 of the AB 900 General Fund to complete design and construction for various statewide dental facility improvements. Taking this allocation into account, the remaining unallocated balance of this appropriation is 177,013,635 (59.0 percent).

\$4,647,000 total estimated project cost

\$4,647,000 project costs to be allocated: \$409,000 preliminary plans, \$320,000 working drawings, and \$3,918,000 construction

CEQA

The appropriate CEQA documentation will be completed for this project during the preliminary plans phase.

Real Estate Due Diligence

Real estate due diligence review and a Summary of Conditions letter will be completed for this project during the preliminary plans phase.

Project Schedule

Approve preliminary plans	June 2011
Complete working drawings	October 2011
Complete construction	October 2012

Staff Recommendation: **Approve project scope, cost, and schedule.**

ACTION ITEMS

ACTION ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SAN DIEGO COUNTY WOMEN'S DETENTION FACILITY
JAIL REPLACEMENT PROJECT
SAN DIEGO COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider:

- a. establishing scope, cost, and schedule
- b. approving performance criteria

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
San Diego County Women's Detention Facility
Jail Replacement Project
San Diego County

Action Requested

If approved, the requested action would establish scope, cost, and schedule and approve performance criteria.

Scope Description

The project consists of the design and construction of a new women's detention facility to replace the existing Las Colinas Detention Facility. The new San Diego County Women's Detention Facility will be located on an approximately 45 acre site with approximately 460,000 square feet of building space and will be constructed in two phases. The facility will provide housing, inmate services, and support for the San Diego County female inmate population. In total, the facility will provide approximately 1,216 minimum, medium, and maximum security beds, as well as 32 mental health beds and 22 medical patient beds, intended to accommodate a range of health care needs.

As part of the project, inmate housing will be designed and constructed to house the different types of custody needs: minimum security, medium security, program-intensive, and high security. A total of seven housing clusters are proposed, including two minimum security clusters, three medium security clusters, a program-intensive unit, and a high-risk/administrative segregation complex. Space will also be provided for visitation, inmate programs, staff services, inmate receiving and transfer, administration, property storage and a warehouse.

The project includes medical services space consisting of four distinct components: a women's clinic, medical infirmary, psychiatric outpatient clinic and psychiatric security unit housing. The women's clinic and medical infirmary components will consist of a 22-bed clinic for sick inmates and an isolation area. A psychiatric outpatient clinic will include a waiting area for 20 inmates, private interview rooms, and offices for clinical staff. The psychiatric security unit housing component will function as an inpatient mental health/medical facility providing a total of 32 single occupancy rooms.

The project includes a food services building with an area for receiving and preparing meals delivered from an off-site existing central kitchen. This building will also include spaces designed for inmate and staff dining, sized to accommodate approximately 450 individuals, and for food service support. The project's infrastructure includes an energy plant and space for custodial and clerical personnel, maintenance staff, and logistical staff assigned to the institutional warehouse.

The project will also include, but is not limited to, electrical, plumbing, mechanical, and HVAC systems, as well as security and fire protection systems. As part of the project, up to 400 parking spaces will be provided for staff and visitor parking. Not included as part of the AB 900 Jail Financing Program project, but necessary for construction of the project, the Participating County will also design and construct a new public access road to provide access to the north of the project site.

Funding and Cost Verification

Section 15820.903 of the Government Code appropriates \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) to partially finance the construction of local jail facilities in conjunction with local matching funds. The initial allocation of this funding to counties was administered through the Corrections Standards Authority through a competitive public process. Corrections Standards Authority has conditionally awarded \$100,000,000 from this appropriation to San Diego County for this project. All of the acquisition/study and design costs and any construction costs in addition to this award amount will be paid by the county.

This action would allocate \$100,000,000 of the \$750,000,000 appropriated in section 15820.903 of the Government Code to partially finance construction for the project. However, the state's financial participation is conditioned on the county appropriating the remaining balance of its funding contribution. It is anticipated the county will appropriate this remaining balance in its fiscal year 2011-12 budget.

\$271,726,000 total estimated project cost

\$100,000,000 state funds to be allocated: design-build contract

\$171,726,000 local funds previously allocated: \$3,000,000 performance criteria and \$168,726,000 design-build (\$126,251,000 contract, \$22,625,000 contingency, \$500,000 A&E, \$13,850,000 other project costs, and \$5,500,000 agency retained items)

CEQA

The county is currently engaged in two separate Superior Court actions concerning CEQA review for this project. The first case is the *City of Santee v. County of San Diego*, which challenges the adequacy of the Environmental Impact Report prepared for the San Diego Women's Detention Facility. The second case is *County of San Diego v. Ryan Companies US, Inc.* (Ryan Companies), which is an eminent domain case to extinguish Ryan Companies' contractual rights to develop a portion of land that is subject to a Disposition and Development Agreement between Ryan Companies and San Diego County. The portion of land in question overlaps a portion of the project area for the county's proposed new women's detention facility.

A date for final resolution of these two lawsuits is unknown at this time. However, resolution of these lawsuits to the state's satisfaction is among the conditions precedent to the state's financial participation in this project. Those conditions are set forth in a Memorandum of Understanding to be considered by the Board as part of a separate bond item in this agenda.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on November 5, 2010 and it is noted that two unresolved issues were identified. The issues pertain to existing utilities and easements within the project area that must be relocated and the unresolved eminent domain litigation outlined above. Resolution of all real property encumbrance issues, to the state's satisfaction, is among the conditions precedent to the state's financial participation in this project. Those conditions are set forth in a Memorandum of Understanding to be considered by the Board as part of a separate item in this agenda.

Project Schedule

Approve performance criteria	December 2010
Complete construction	March 2016

Staff Recommendation: **Establish scope, cost, and schedule and approve performance criteria.**

ACTION ITEMS

ACTION ITEM—2

**CALIFORNIA HIGHWAY PATROL (2720)
OCEANSIDE AREA OFFICE
SAN DIEGO COUNTY**

*Authority: Chapters 47 and 48, Statutes of 2006, Item 2720-301-0044(6),
Chapters 268 and 269, Statutes of 2008, Item 2720-301-0044(2.5)
Chapter 712, Statutes of 2010, Item 2720-301-0044(5)*

Consider:

- a. approving preliminary plans
- b. recognizing a scope change

ACTION ITEMS

STAFF ANALYSIS ITEM—2

California Highway Patrol
Oceanside Area Office
San Diego County

Action requested

If approved, the requested action would approve preliminary plans and recognize a scope change.

Scope Description

This project is not within scope. The project consists of the acquisition of 2.5 acres and construction of new 25,946 square foot (sf) facility with an automotive bay and a 448 sf area for Telecom. The site will also contain an 871 sf emergency generator and radio equipment building, fencing, a fuel island, and parking for 95 cars, including 2 handicap spaces and motorcycle parking. The new facility will be an essential services office.

The original scope indicated that the office with the automotive bay would be 20,800 sf. However, it did not include the 2,890 sf associated with the automotive bay. In addition, the office will need a two-story design rather than one story in order to conform to the site's topography. Because of stairwells, an elevator and additional circulation associated with a two-story building, the structure needs to be about 10 percent larger.

On November 24, 2010, a 20-day letter was sent to the Joint Legislative Budget Committee recommending the Board recognize this scope change. The notification period will expire on December 13, 2010. This request is an Action Item because it is contingent on the review period expiring without adverse comment.

Funding and Cost Verification

This project is within cost. Estimated construction costs have declined about eight percent over the amounts assumed when developing the 2010-11 budget. In addition, the amount allocated for acquisition includes a \$101,500 augmentation approved in May 2008.

\$23,017,500	total authorized project costs
\$23,017,000	total estimated project costs
\$ 3,156,000	campus funds previously allocated: \$2,133,000 acquisition and \$1,023,000 preliminary plans
\$19,801,000	project costs to be allocated: \$1,544,000 working drawings and \$18,257,000 construction (\$14,979,000 contract, \$749,000 contingency, \$1,034,000 A&E, and \$1,495,000 other project cost)

CEQA

The notice of determination was filed with the State Clearinghouse on January 22, 2009, and the 30-day statute of limitations expired on February 21, 2009, with no adverse comments.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on October 25, 2010, and no issues were identified

Project Schedule

Approve preliminary plans	November 2010
Complete working drawings	March 2012
Complete construction	September 2013

Staff Recommendation: **Approve preliminary plans and recognize a scope change contingent on expiration of the 20-day notification period without adverse comment.**

ACTION ITEMS

ACTION ITEM—3

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
GOVERNOR'S MANSION SHP, VISITOR CENTER PROPERTY
SACRAMENTO COUNTY
DPR Parcel No. 014937, DGS Parcel No. 10679

*Authority: Chapter 157, Statutes of 2003, Item 3790-301-6029[10]
as reappropriated the Budget Acts of 2009 and 2010*

Consider authorizing acquisition

ACTION ITEMS

STAFF ANALYSIS ITEM—3

Department of General Services
Department of Parks and Recreation
Governor's Mansion State Historic Park
Visitor Center Property

Action requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (Parks) to acquire approximately .44 acres of developed property immediately adjacent to Governor's Mansion State Historic Park. The acquisition of this property would provide an opportunity to provide a public interpretive and educational facility in direct proximity to the existing historic Governor's Mansion. The building located on the subject property was originally constructed in 1933 and would require seismic renovations before it could be made available for state park use. The property also would provide needed off street parking to better meet ADA requirements and provide for special needs such as tours, events, and school buses. The property acquisition would meet several of Parks' mission elements to provide the public with expanded educational and interpretive opportunities.

Funding and Cost Verification.

This project is within cost. A total of \$35 million was appropriated to acquire various opportunity and in-holding properties statewide. The balance of the appropriation is sufficient to acquire the subject property in accordance with Legislative intent.

\$2,615,000	total acquisition costs
\$ 15 ,000	project costs previously allocated
\$2,600,000	project costs allocated

CEQA

A Notice of Exemption was filed with the State Clearinghouse on September 2, 2010, and the 35-day statutes of limitation expired on October 7, 2010, without challenge.

Project Schedule

The projected close of escrow as initially estimated by Parks is the end of December 2010. The current transaction entails assignment of a commercial lease to the state and allowing the current owner, the Church of Scientology (Church), to continue to occupy the building as a tenant for a term of up to one year, with holdover rights of up to an additional year. See the "Significant Issues" section below for more details on the close of escrow.

Condition of Property

On October 20, 2010, the Department of General Services (DGS) staff conducted a site survey of the subject property and adjacent parking lot located in the City of Sacramento. The rectangular-shaped property is located within the established commercial and residential area in downtown Sacramento. The parcels' addresses are 815 and 825 15th Street. Combined, the approximate 0.44-acre subject property consists of two parcels, which are separated by an alley. The entire property is developed with a rectangular single-story commercial building (south parcel) and an associated paved parking area (north parcel).

The 1933 building was constructed using unreinforced masonry brick and painted stucco/plaster over a concrete slab-on-grade floor. The building interior is improved with a number of offices and meeting rooms. The parking area portion of the property is situated north of the building, across an alley. The parking lot is fenced along the north and east boundaries. No suspected or otherwise unusual conditions were observed within the parking lot.

A limited structural evaluation of the facility was prepared by a certified structural engineer and submitted to Parks on November 29, 2010. Although this investigation was limited in scope, it concluded that the building would be rated as a Seismic Level Risk (SLR) VI on DGS' SLR rating system, which ranges from 1 (least risk) to 7 (highest risk). A facility with a SLR of VI would be expected to sustain major damage (requiring extensive repairs and vacating the facility for a year or more) and potentially some loss of life in a major seismic event. A more thorough discussion of seismic related risks is included in the "Significant Issues" section below.

A Phase I Environmental Site Assessment (ESA) was published on November 2010, in accordance with standard practice. No Recognized Environmental Conditions were identified on or in the immediate vicinity of the property. No further environmental investigations of the property were recommended at this time; however, it was noted in the ESA that based upon the age of the existing building, the potential for the presence of asbestos-containing materials is considered possible. Prior to any building material disturbance including renovation or demolition has disturbed materials tested for asbestos containing materials presence for proper handling and disposal.

Significant Issues

Seismic Risk – This request has been recommended as an Action Item to highlight the fact that the building on this property has a SLR rating of VI, which exceeds the state's minimum seismic requirements. State policy generally requires that occupied state building not exceed a SLR of IV and that seismic retrofits be designed to level III or below. It has been the state's policy to not acquire facilities with a SLR of IV or higher, unless certain provisions are made to ensure all of the seismic deficiencies are corrected prior to being occupied and there is a compelling administrative need to acquire the deficient facilities.

As the transaction is currently structured, the Church would continue to occupy the building under a 12-month lease being negotiated between the Church and Bentley Acquisitions and Development (Bentley), which is in the process of buying the property from the Church. Under the terms of the Property Acquisition Agreement (PAA) between the state and Bentley, the state would take fee ownership of the property subject to this existing lease. Because Parks would not have the ability to prevent the Church from occupying the facility until the end of the lease term, the Church's presence, including members and guests from the public, combined with the SRL VI of the building, could expose the state to additional and unnecessary potential liabilities.

In an effort to mitigate these concerns over the short-term, Parks has been working with Bentley to modify the terms of the lease between Bentley and the Church to ensure the terms of that lease afford some level of protection to the state with respect to the potential seismic liability. At the request of Board staff, the Attorney General's Office has drafted several lease amendments intended to provide a minimal level of protection to address the above concerns. These amendments have been reviewed by staff and appear to provide the additional protections desired. However, at this time it's unknown whether these changes would be acceptable and agreeable to Bentley and the Church. Until such time that these amendments are approved and incorporated, the transaction as currently structured does not provide sufficient protections for the state. Parks has indicated that the close of escrow between Bentley and the Church must close by December 22, 2010, so any changes to the lease would need to be incorporated before that date.

Over the longer-term, however, once the lease expires, Parks has committed to provide sufficient resources to make the necessary seismic repairs to immediately reduce the SLR of the facility to a level IV and eventually to a level III or below. The structural engineering report indicated that the cost of these repairs would be approximately \$300,000 and Parks has certified that funding would be available to complete these repairs when the property is vacated.

Title Issues – Title to the property is currently held by the Church, which is in the process of selling the property to Bentley, an intermediate buyer that intends to sell the property to the state shortly after the close of escrow with the Church. Because Bentley has not closed escrow on their deal with the Church, DGS has been unable to verify the condition of the title that will be held by Bentley prior to the close of escrow with the state and there is a possibility of unknown title issues appearing after the close of escrow. Although Bentley has made certain representations and warranties that title would be conveyed to the state without any additional issues and Parks has obtained a Proforma Title Policy that indicated clear title at that time, there is still some risk that unknown title issues could manifest. In the event new title issues were to be discovered after the close of escrow with Bentley, Bentley would ultimately be held responsible.

Other

- The purchase price does not exceed the estimated fair market value as determined by a DGS approved appraisal.
- Because General Obligation bond funds would be used to acquire this property, Board staff will coordinate with the State Treasurer's Office to ensure that the private activity related to the lease-back with the Church are fully disclosed in the tax certificates prepared by Parks.

- The PAA will require delivery of title to the property free and clear of any mortgages or liens.
- As noted above, the property will be temporarily occupied by the Church, with a term up to one year and may be extended by Parks up to an additional year. The lease-back provides for the Church to be responsible for all maintenance, repairs, utility costs, and other operational costs associated with the property during the term of the lease.
- There is no relocation assistance involved with this acquisition pursuant to GC section 7260 (c)(3)(E).
- There is no pending litigation related to this property and there is no implied dedication applicable to this property.
- In the more short term, upon expiration of the lease-back, the DPR intends to utilize existing staff and limited facility improvement funding, provided as a “hold back” from the seller, to accomplish a portion of the necessary seismic retrofits and immediate operational facility improvements.
- Regardless, of the availability of future capital outlay funds, DPR believes that adaptive visitor center and administrative uses of the building, utilizing existing resources, will greatly benefit Governor’s Mansion State Historic Park and the public who visit the facilities.
- Site Selection was approved by the Board on October 28, 2010.
- Any changes to public access, use, management, operations, development, or resources will be addressed through the normal budget process.

Staff Recommendation:

Staff recommends the Board not approve acquisition for this transaction in its current form because of the seismic deficiencies of the building noted in the staff analysis and the fact the liabilities associated therewith have not yet been adequately addressed. It is further recommended that the Board not consider acquisition approval until Board staff have verified that the lease amendments drafted by the Attorney General’s Office have been incorporated in substantially the same form as drafted into the lease that will be assigned to the state.

ACTION ITEMS

ACTION ITEM—4

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CALIFORNIA INDIAN HERITAGE CENTER (NEW PARK UNIT)
JTS (REGATTA) ACQUISITION
YOLO COUNTY
DPR Parcel Nos. 014712, DGS Parcel No. 10676

*Authority: Chapter 157, Statutes of 2003, Item 3790-301-6029[10], as reappropriated
by the Budget Acts of 2006 and 2009*

Consider authorizing acquisition

ACTION ITEMS

STAFF ANALYSIS ITEM—4

Department of General Services
Department of Parks and Recreation
California Indian Heritage Center (New Park Unit)
JTS (Regatta) Acquisition

Action requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (Parks) to acquire approximately 8 acres of undeveloped land from JTS (Regatta) to assemble with a 43-acre parcel being offered by the City of West Sacramento (City) Redevelopment Agency (RDA) at no cost for the future development of a California Indian Heritage Center (CIHC). The proposed acquisition would enable Parks to utilize property being offered by the City for the purpose of providing the public with expanded educational and, interpretive opportunities as well as house a portion of the Park's extensive collection of Native American artifacts.

Funding and Cost Verification

This project is within cost. Chapter 157, Budget Act of 2003, Item 3790-301-6029(10) as reappropriated by the Budget Acts of 2006 and 2009, provide funding for this acquisition, including associated overhead. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

\$2,515,000 total authorized project costs

\$2,515,000 total estimated project costs

\$ 15,000 project costs previously allocated (title, escrow, and staff costs)

\$2,500,000 project costs to be allocated

CEQA

A Notice of Exemption was originally filed with the State Clearinghouse on June 19, 2009, and was subsequently amended and refiled on September 2, 2010, and the 35-day statutes of limitation on the amended filing expired on October 7, 2010, without challenge.

Project Schedule

The anticipated close of escrow is December 2010.

Condition of Property

On October 13, 2010, the Department of General Services (DGS) staff conducted a site visit of the Regatta property located in the City of West Sacramento. The 8-acre property is bounded to the north by a residential subdivision, to the east by a former borrow pit and the Sacramento River, to the south by Marina Way and Lighthouse Drive, and to the west by Fountain Drive. The property is vacant and has been graded level. The site did not contain any apparent conditions that could adversely impact the habitability or safety of the property. A Phase I Environmental Site Assessment report for the site was completed in November 2010 according to current ASTM standards. The assessment did not reveal any recognized environmental conditions.

Significant Issues

This request has been recommended as an Action Item because the purchase price exceeds the appraised value of the property, as approved by DGS. The seller has rejected the state's offer of \$2.3 million, which is supported by a DGS approved appraisal, and has unequivocally stated that they would not accept a purchase price less than \$2.5 million, a difference of \$200,000 or 8.7 percent above the approved appraisal. Parks has requested the Board to approve this acquisition at the higher negotiated price because they argue that doing so would be in the state's best interest.

The State Constitution generally prohibits the gift of public funds. In most circumstances, paying more than the fair market value of for real property can and most often is viewed as a gift of public funds. However, on rare occasions, it has been determined that paying more than the fair market value for certain properties did not result in a gift of public funds because, in those cases, the public benefit of the purchases clearly outweighs the additional costs.

Parks' legal counsel has provided the Board with an opinion that contemplates the possible Constitutional issue related to the gift of public funds and concludes that the proposed purchase price does not constitute a gift of public funds because of the significant public benefit.

The public benefit of this acquisition is two-fold. First, Parks has indicated that without the Regatta property, there will be insufficient buildable space on the remaining RDA property to build the CIHC at this location, which is otherwise well suited for this use. Because of the past difficulties locating a suitable site for the CIHC, the search for additional sites could take years and add significant

costs to this project. Finally, by acquiring this property at slightly above fair market value, Parks would be able to preserve a promising option to acquire the RDA property at no cost, which would result in significant overall project cost savings. Each of these public benefits appears to justify the negotiated purchase price.

However, it should be noted that there are a number of conditions required by the City before the RDA property is offered to the state. The requirements involve, essentially, Parks obtaining the necessary environmental approvals, as well obtaining final approval of the General Plan/EIR by the City. Parks has indicated its ability to obtain the necessary approvals and meet the specified project milestones in a timely manner. While none of these conditions appear to be insurmountable, the City has some discretion to not convey the RDA property to Parks. Therefore, there is clearly some risk that after acquiring the Regatta property for the state does not acquire the RDA property, which is essential to the development of the CIHC, and would not generate the public benefits used to justify the purchase price.

The City of West Sacramento has performed a number of actions which make the withdrawal of the offer to convey the RDA site unlikely. To date, the City has adopted a Riverfront Master Plan, which calls for a state park at that location; the City has entered in a Master Agreement with Parks to develop the property specifically for purposes of the CIHC; the City has indicated that it will provide Parks with an option to acquire the 43-acres at no cost upon fulfillment of the terms contained in the Master Agreement; and the City has agreed in the interim to a no-cost lease of the RDA site to Parks, so that Parks can perform the necessary studies for planning and design purposes.

Other

- In 2003, SB 2003 established the CIHC Task Force. The Task Force and Parks jointly established parameters for site selection of the proposed facility. A number of sites were considered, with the Task Force finally recommending the RDA site.
- The Board approved site selection of the RDA site on October 27, 2010.
- The PAA does not include the state's standard indemnification language, potentially exposing the state to additional fiscal liabilities. In addition, the DGS site visit did not identify any conditions that would likely pose an exceptional risk to the state. It should be noted that the lack of indemnification language does not relieve the Seller of liability under existing law.
- There is no pending litigation related to this parcel
- The property acquisition agreement will require delivery of the title to the property free and clear of any mortgages or liens.
- The property is vacant.
- There are no historical issues, relocation assistance or implied dedication associated with this project.
- The 8-acre acquisition is in close proximity to other State Park Capital District units and facilities and would be included in patrol duties currently performed by existing staff and would not increase Parks' support costs.
- Any changes to public access, use, management, operations, development, resources or habitat protection, including the development of the CIHC or other interim facilities, will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition.

OTHER BUSINESS

NONE

REPORTABLES

To be presented at the meeting.